

# **ADMINISTRATION SERVICES PROPOSAL**

**FOR THE**

***AFSCME LOCAL 590***

***HEALTH & WELFARE FUND***

**PRESENTED BY**



***BACKGROUND INFORMATION***  
***FOR***  
***O'NEILL CONSULTING CORPORATION***

**HISTORY**

O'Neill Consulting Corporation is a licensed Third Party Administration firm in the state of Pennsylvania. We have been in business for thirty-seven years and service clients throughout the northeastern United States. We handle the administrative services for over twenty-five single and multi-employer Plans. Our office provides full administrative services for Medical Plans, Defined Benefit and Defined Contribution Pension Plans, Severance, FSA'S, and Vacation Plans. We have facilities to handle both fully insured and self-insured benefits for the Plans we administer. Our clients range in size from 100 to 7,000 covered participants.

**LOCATION**

We own our office building located at 1560 Old York Road, Abington, Pennsylvania. All services for the Plan would be provided from our Abington office. This location is easily accessible, due to the close proximity to the Pennsylvania Turnpike. We are approximately ten miles outside Philadelphia. For the convenience of our clients located outside the local dialing area, we provide an 800 number so that members do not incur any additional costs in contacting our office for their benefit matters. Our office hours are 8:30 A.M. to 4:30 P.M. Monday through Friday.

**BACKGROUND INFORMATION (Continued)****Page 2****ADMINISTRATIVE STAFF**

Many of our employees have been with our firm for over fifteen years and an average of ten years. They are all well versed in their respective positions and dedicated to the service of our clients. As a company policy, we assign certain employees to each account. In this manner, your participants will always be able to obtain a prompt response from our employees who are knowledgeable about their claim or plan of benefits. We will have experienced employees that currently work with other benefit funds available to work on this account to allow for a smooth transition.

**OFFICE FACILITIES**

O'Neill Consulting Corporation has conference rooms available in our Abington office for Board meetings, which we offer to our clients at no additional charge. We provide all Plan professionals, such as Accountant, Actuary, etc., with an office for their use for annual audits. We would encourage the Trustees to visit our office and meet the employees who would provide services for the Plan.

**COMPUTER SYSTEM**

We currently maintain a multi-server computer network including a mainframe IBM RS6000 which supports our main business application, which was developed by ISSI, Inc.. The ISSI Benefit Fund software program is the most widely used software package for benefit fund administration. They have developed this program specifically for benefit plans. ISSI updates our program regularly, and we have remote access capability which provides for immediate response from ISSI for program modifications and changes.

**BACKGROUND INFORMATION (Continued)**

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This system provides more than adequate capacity to accommodate the various requirements of benefit processing as plans grow. The computer system provides for effective and efficient fund administration by using state-of-the-art software and technology. Comprehensive data backups are performed daily and stored in a secure, off-site location.

Our system has the capabilities to allow for a Fund office to have access at their location that would be tied directly into our system. This would provide the ability to have immediate access to participant information, and any other records maintained for the Funds as permitted by the Board of Trustees.

**BONDING**

We are normally covered by the Plan's bond for honesty for the services we render as Administrators. Under the Fiduciary insurance, we are listed as the Administrators or Claim Providers and are covered under that provision. In addition, we maintain our own Honesty bond in the amount of \$500,000.00, underwritten through Liberty Mutual Insurance Company, as well as Errors & Omissions Insurance Coverage in the amount of \$500,000.00.

**RECORDS**

All books, records, lists of names, plates, seals, passbooks, journals and ledgers, tapes and cards shall remain the property of the Plan with the exception of the computer program. Our programs are developed by ISSI and we have a licensing agreement with them to use their programs and the programs would remain the property of ISSI.

## **ADMINISTRATIVE SERVICES**

### **PROCESSING OF EMPLOYER REPORTS:**

- \* Maintain a complete file on contributing employer to include address, tax identification number, telephone number and authorized contact person.
- \* Audit all reporting forms received for correctness of hours, wages reported, if applicable, and total contributions received.
- \* Posting of employer contributions to employer record files maintained in computer system. Maintain a full hard copy of all deposits made to the Fund.
- \* Posting of employer contributions to employee record files maintained in the system, according to hours worked, month worked, and amount of contributions received.

### **PROCESSING OF ENROLLMENT INFORMATION AND MAINTENANCE OF EMPLOYEE RECORDS:**

- \* Process enrollment forms for each member to include:
  1. Name, full address, social security number, date of birth, marital status and telephone number.
  - 2 . Name, address, social security number, date of birth and relationship to member of designated beneficiary.
- \* Maintain a lifetime record for each employee of the hours worked by year beginning with the first date that this information is tracked on the System.

**ADMINISTRATIVE SERVICES**

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**DEPOSIT OF CONTRIBUTIONS:**

- \* Direct deposit contributions as they are received from contributing employer to the Fund's money market or investment account as directed by the Trustees.
- \* Transfer monies to Fund's checking accounts as required for payment of bills authorized for payment.
- \* Transfer monies to Fund's Provider as directed by the Trustees with required detailed contribution report by participant.

**MAINTAIN COMPLETE FINANCIAL RECORDS:**

- \* Full records are maintained of each employer contribution received and any miscellaneous receipts such as interest, liquidated damages, etc.
- \* Maintain a record of all disbursements made by check number, date paid and amount. All disbursements are reported on the financial statement presented at the regularly scheduled Board of Trustees' meeting.
- \* Reconcile Fund's checking and money market accounts monthly, by a person independent of those authorized to make disbursements.
- \* Prepare for payment and present for authorization any bills received by the Fund for expenses incurred or services performed not routinely required for the Fund

## ADMINISTRATIVE SERVICES

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### PROCESS PAYMENTS TO PROVIDERS

- \* Review all premium payments to providers for accuracy and participant eligibility.
- \* Make necessary changes to billing based on eligibility. Notify provider of additions or terminations monthly.
- \* Process and issue payment to provider monthly.
- \* Maintain copies of all premium statements and payments for Fund records.

### DELINQUENT EMPLOYER ACCOUNTS:

- \* Prepare and mail delinquent employer notices to the employer if delinquent under the terms of the collective bargaining agreement.
- \* Report to the Trustees, and Fund's attorney any payment due that exceeds the delinquency guidelines.
- \* Notify the delinquent employer of any interest and penalties due as a result of the delinquency and maintain a record of payments of such fines or report lack of payments to the Fund's attorney for further collection actions.
- \* Work with the Fund Co-Counsel to assist in the collection of any delinquent payments due the Fund.
- \* Prepare a delinquent employer report for review and action by the Trustees.
- \* Process and refer to Trustees requests for waiver of fines, penalties or refunds for overpayments.

**ADMINISTRATIVE SERVICES**

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**TRUSTEES MEETINGS:**

- \* Attend four regularly scheduled Trustees meetings, to assure the smooth operation of the Fund.
- \* Distribute meeting notices to all Trustees and interested parties notifying them as to the time, date and location of the meeting.
- \* Provide the use of our conference room for Board meetings.
- \* Provide the Trustees with the following reports:
  1. Quarterly Financial Statement prepared on a cash basis to include:
    - a. Listing by month of employer contributions received.
    - b. Any miscellaneous deposits received, such as interest or liquidated damages.
    - c. Complete listing of all disbursements processed during the quarter.
    - d. Complete listing of all account balances for the Fund.
  2. Delinquent Employer Report - listing employer, month delinquent, and last payment amount.
  3. Any unusual bills presented for payment, not routinely paid by the Fund.
  4. Agenda of new business, correspondence or other matters requiring Board action or approval.

**GENERAL COMMUNICATIONS:**

- \* Prepare necessary forms as needed for the operations of the Fund, including benefit applications, forms, Summary Annual Reports, etc..
- \* Work with Providers or Consultants to update the Summary Plan Description as required.
- \* Handle all communications and correspondence with both participating employer and members as may be required concerning benefits



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available, or possible discrepancies concerning contributions received.

Hold for meetings any correspondence requiring Board action or approval.

- \* Notify participating employer of any changes in contributions due to the Fund as a result of collective bargaining.
- \* Notify all Trustees and interested parties as timely as possible of any matters which may arise between regularly scheduled meetings, which may constitute potential legal actions or require immediate Board direction or decisions.

### **FUND PROFESSIONALS:**

- \* Work with the Fund's accountants in preparing Form 5500 and 990.  
Supply accountant with computer generated receipt journals and disbursement journals for the plan year, complete listing of account balances, and any other financial information required for the Fund.
- \* Work with Fund's legal counsel on preparing Plan documents, amendments, collection of delinquent employer monies or any routine legal services required by the Fund that would be available from our records.
- \* Work with banks, investment managers, and consultants in preparing all necessary reports that may be required for the Trustees or Fund.

### **COBRA ADMINISTRATION**

- \* Upon notification of termination of employment, or other qualifying event, we will prepare and mail a COBRA notification to the participant or affected dependent. Such notification will include the required notification as to the length that the COBRA option is available, based on the qualifying event.

## **ADMINISTRATIVE SERVICES**

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- \* Track all COBRA payments for eligible participants and maintain coverage based on COBRA election.
- \* Deposit COBRA payments into the Fund's Account.
- \* Notify COBRA participant of late payment and termination of COBRA option, if applicable.

### **HIPAA ADMINISTRATION**

- \* Maintain Business Associate Agreements for the Fund with covered entities to assure that the participant's Protected Health Information is protected.
- \* Maintain a copy of the Plan's Notice of Privacy Practices and provide any new participants with a copy of this notice, if not contained in the SPD.
- \* Provide terminated participants with a Certificate of Creditable Coverage to present to another group health Plan.
- \* Notify the Board of Trustees of any complaints or claims concerning violation of the privacy policy in effect for the Plan.

### **MISCELLANEOUS:**

- \* Maintain a master file containing copies of Trust Agreements, Collective Bargaining Agreement, Tax Exemption letter, Annual Tax Forms, notices to participants, etc.
- \* Prepare all necessary information for the application required to obtain Fiduciary Responsibility Insurance for the Fund.
- \* Maintain a file and monitor renewals for the ERISA bond premium and Fiduciary Responsibility Insurance for the Fund.

### ***ADMINISTRATION FEE***

Our Fee to perform the services as listed in this proposal would be \$500.00 per month. This fee is guaranteed for twenty-four months.

We would have an initial set-up fee of \$1,000.00 for the Fund. This would cover the cost to transfer the records onto our system and set-up the necessary programs required for the Fund. This would cover the cost to open the account to our system and the cost to convert the current data to our system.

### ***FEE REQUIREMENTS***

Our fee is payable monthly. Written notice must be given <sup>sixty 60</sup> ~~ninety (90)~~ days in advance to O'Neill Consulting Corporation upon termination of our services to the Fund.

### ***ADDITIONAL EXPENSES***

The Fund would be responsible for the following expenses:


- A. All printing expenses for the Funds - Forms, booklets, stationery, benefit checks, remittance forms, etc..
- B. Bonding and Fiduciary Responsibility Insurance premiums.
- C. Funds' Professional's Fees - Accountant, Attorney, etc..
- D. Trustees' meetings and related expenses.
- E. Postage Expenses for the Fund - We have a computerized postage meter and assign a number to the Fund, so that accurate records are maintained for postage billing purposes.

**ADMINISTRATION FEE - (Continued)**

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It is understood that our services shall not be limited to these set forth in this proposal, but, shall include any and all services as may be required to assure the Trustees of complete, efficient and smooth operation of the Fund.

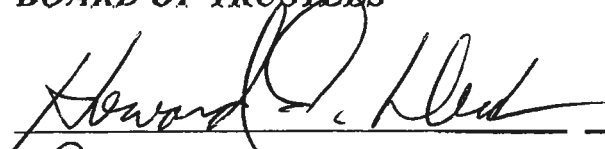
Respectfully submitted,

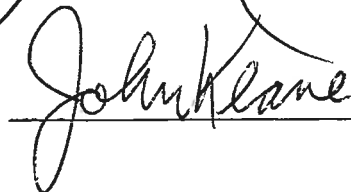
  
Sue O'Neill, President

**APPROVAL OF CONTRACT**

DATED: 12/1/05

**BOARD OF TRUSTEES**

  
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For Additional Information Contact:

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